Purchasing Office RECOMMENDATION FOR COUNCIL ACTION

Item No. 18

Subject: Authorize award, negotiation, and execution of a contract with SIEMENS CORPORATION, DFW Airport, TX, for baggage handling system improvements and equipment installation at Austin-Bergstrom International Airport in an amount not to exceed \$1,306,312 plus a \$40,000 contingency, for a total contract amount not to exceed \$1,346,312.

Amount and Source of Funding: Funding is available in the Fiscal Year 2006-2007 Capital Budget of the Aviation Department.

Fiscal Note: A fiscal note is attached.

For More Information: Cruz Banda, 974-2133, Steve Aden, 974-2021

Purchasing Language: Sole Source.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this purchase.

Boards and Commission Action: Recommended by the Austin Airport Advisory Commission.

This contract will provide for the purchase of improvements to the existing Baggage Handling System (BHS) at the Austin-Bergstrom International Airport terminal. Work includes installation of two new baggage carrousels, changes to existing baggage conveyor network, and upgrades to the BHS data reporting system.

BHS improvements are needed to improve operations of the airport airlines and the Transportation Security Administration by upgrading the BHS efficiency, capacity, and reliability.

The existing BHS is currently being modified by Siemens Corporation and final acceptance of system changes is expected in the Summer of 2007. The BHS controls and many other portions of the system installed by Siemens are proprietary installations and all changes, reconfiguration, and/or re-programming of the system must be provided by personnel authorized by Siemens.

The improvements to the BHS must be installed by Siemens for Owner compatibility and standardization purposes and to maintain integrity of the system warranty agreements with Siemens.